

H.R. 5911, Fair Hiring in Banking Act

As ordered reported by the House Committee on Financial Services on November 16, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	*	1	1
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	1	1
Spending Subject to Appropriation (Outlays)	0	0	0
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
* = between zero and \$500,000.			

H.R. 5911 would amend statutory prohibitions and limitations that restrict the hiring of certain individuals convicted of criminal offenses by insured depository institutions and insured credit unions. Under current law, some convictions prohibit a person from being employed by such institutions without prior consent of the National Credit Union Administration (NCUA) or the Federal Deposit Insurance Corporation (FDIC). Under H.R. 5911, both agencies would be required to issue a rule to provide additional exemptions from consent requirements. The bill also would direct the FDIC and NCUA to establish new procedures governing the review of consent applications and further define what offenses require agency consent. Lastly, each agency would be required to report to the Congress on the outcomes of those changes.

The operating costs for the FDIC and NCUA are classified as direct spending. Using information from both of those agencies, CBO estimates that each agency would require about two employees to complete the bill's requirements over a three-year period, increasing gross direct spending by about \$2 million over the 2022-2031 period. However, the NCUA collects fees from credit unions to offset its operating costs; those fees are treated as reductions in direct spending. Thus, on net, CBO estimates that enacting the bill would increase direct spending by \$1 million over the same period.



If the NCUA increased annual fee collections to offset the costs associated with implementing the bill, H.R. 5911 would increase the cost of an existing private-sector mandate on entities required to pay those fees. CBO estimates that the incremental cost of the mandate would be small and would fall below the thresholds established in the Unfunded Mandates Reform Act (UMRA) for private-sector mandates (\$170 million in 2021, adjusted annually for inflation).

H.R. 5911 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contact for this estimate is Stephen Rabent (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.